



UNIVERSITY OF CALIFORNIA PRESS
Advancing Knowledge, Driving Change

Bhutan in 1995: Weathering the Storm

Author(s): Michael Hutt

Source: *Asian Survey*, Vol. 36, No. 2, A Survey of Asia in 1995: Part II (Feb., 1996), pp. 204-208

Published by: University of California Press

Stable URL: <https://www.jstor.org/stable/2645818>

Accessed: 21-06-2019 12:29 UTC

JSTOR is a not-for-profit service that helps scholars, researchers, and students discover, use, and build upon a wide range of content in a trusted digital archive. We use information technology and tools to increase productivity and facilitate new forms of scholarship. For more information about JSTOR, please contact support@jstor.org.

Your use of the JSTOR archive indicates your acceptance of the Terms & Conditions of Use, available at <https://about.jstor.org/terms>



JSTOR

University of California Press is collaborating with JSTOR to digitize, preserve and extend access to *Asian Survey*

BHUTAN IN 1995

Weathering the Storm

Michael Hutt

The Economy

Bhutan's nonagricultural economy still centers on government investment and a handful of larger companies. Over 80% of the population are farmers, but agriculture, forestry, and fishing have now decreased to some 46% of GDP, mainly because of the development of hydro-power (HEP) since 1986. The bulk of Bhutan's external trade is with India, and the main trading agreement between the two countries was enhanced in February. Electricity from the HEP plant at Chhukha now accounts for 40% of Bhutan's trade with India, and in April the unit price of electricity from Chhukha was increased, to raise an extra \$5.9 million per annum. Further hydro-power projects are in progress or at the planning stage, including the Basochhu Project, which is the largest single project supported by Austria in a developing country. A smaller HEP project, the \$4.34 million Rangjung Project, came on stream in December 1995, and Bhutan and India are currently discussing plans for the Chhukha II and III schemes (the Tala HEP and Wangchu reservoir projects), which will have a combined capacity of 1,020 megawatts. Bhutan's capacity to consume electricity remains tiny because the industrial base is small: Bhutan's largest factory, owned by Bhutan Ferro Alloys Ltd., began production of ferro silicon and micro silica in April 1995, with a workforce of 355.

Foreign Aid and Foreign Relations

Bhutan's relationship with India remains intimate and crucial, as India retains a guiding hand on Bhutan's foreign relations and is its main aid donor and trading partner. Indian assistance is expected to increase to slightly over half

Michael Hutt is Lecturer, School of Oriental and African Studies, University of London, UK.

© 1996 by The Regents of the University of California

of total foreign aid to Bhutan in 1995–96. In January the funding shortfall for Bhutan's Seventh Plan (1992–97) was anticipated to amount to \$142 million, and at a Round Table Meeting at Geneva foreign donors pledged only \$75 million. This had severe effects on the Human Resources Development sector, where a requirement of 9,500 training fellowships had to be pared down to 2,162. However, the Bhutanese government recorded that 98.3% of recurrent expenditure had been met by domestic revenue during 1994–95. Relations with China are cordial, and the main forum for dialogue since 1984 has been ten rounds of negotiations on the demarcation of Bhutan's northern boundary.

Negotiations with Nepal

During 1995 Bhutan found it increasingly difficult to explain away the presence of 88,000 people in refugee camps on Nepalese soil. The refugees claim to have been evicted from their homes in southern Bhutan, and the majority hold documentary evidence of long-term residence in the kingdom; most have lived in the camps for over three years. A Ministerial Joint Commission (MJC) was set up by the governments of Bhutan and Nepal in 1993 to address this problem. Its fifth round of talks was held in Kathmandu in February–March 1995, and its sixth in Thimphu in April. The minority United Marxist-Leninist (UML) government elected in Nepal in November 1994 inherited a commitment to harmonize its position with the Bhutanese government on four agreed categories of people in the camps: (1) “bonafide Bhutanese if [they] have been evicted forcefully” (2) “Bhutanese who emigrated” (3) “non-Bhutanese people” and (4) “Bhutanese who have committed criminal acts.” The two rounds of talks had few tangible outcomes and no date was set for a further round when the two sides parted company in April. The Commission did exchange the names of people from each side who would make up a Joint Verification team to begin the job of categorizing the refugees, but each side blamed the other for the lack in further progress. The Bhutanese home minister said that the Nepalese side had “changed its position” and “introduced new issues,” and wanted to repatriate “all the people in the camps” to Bhutan, while the Nepalese home minister said that Bhutan should “repatriate all those in the camps who are from Bhutan.” A large number of the people in the camps had signed “voluntary emigration” forms before leaving Bhutan, and it is probable that the Nepalese side in the MJC feared such people were in danger of falling into Category 2, without any consideration of whether or not they had signed under duress. In September the UML fell from power, and it remains to be seen how the new coalition government in Nepal will handle this issue.

Political Developments

Political Dissent: The Detention of Tek Nath Rizal

Tek Nath Rizal, a royal advisory councillor, submitted a petition to the king of Bhutan in April 1988, which had been drafted with the help of seven other senior Lhotshampa (Nepali, Bhutanese) bureaucrats, and it asked the king to reconsider the 1985 Citizenship Act and the census exercise that had been underway for some months in southern districts. Rizal was arrested and then released with instructions not to meet with more than three other persons at any one time. Soon afterward, he fled with his family to Nepal where he helped to set up a human rights organization in exile. Rizal was seized by Nepalese police on November 15, 1989, handed over to the Bhutanese security forces, and flown back to Bhutan. He was kept in solitary confinement in Bhutan until December 1992; tried during 1993 on charges based mainly on the National Security Act that came into force in November 1992; sentenced to life imprisonment for treason on November 16, 1993; and then granted a conditional, deferred pardon by the king three days later. The pardon was conditional upon the two governments finding a solution to the "problem of the people living in refugee camps in eastern Nepal." Rizal was adopted by Amnesty International as a prisoner of conscience in 1990, and the legality of his detention and subsequent life sentence remain key issues in the war of words between the Bhutanese government and its opponents in exile.

In March 1995 the United Nations' Working Group on Arbitrary Detention released a report on a visit it had made to Bhutan in October 1994. This report was chiefly concerned with the detention of Rizal, and stated in its conclusion that "the arrest of T. N. Rizal cannot be said to be arbitrary," and that his trial was fair. The reaction to these assertions was predictably mixed: Dasho Jigmi Thinley, Bhutan's ambassador to the United Nations in Geneva, praised the Group for its "professional objectivity" and for the "methodical manner" in which it had conducted its investigations. The Kathmandu-based Human Rights Organization of Bhutan, on the other hand, claimed that the report contained many serious errors and contradictions and described it as an "outrage" that deserved "condemnation and denunciation in the most emphatic terms."

The Druk National Congress

The Druk National Congress (DNC), founded by a group of Sharchhop (eastern Bhutanese) dissidents in Kathmandu in 1994, is led by a well-known Sharchhop businessman, Rongthong Kunley Dorji. DNC therefore represents the only group in active opposition to the Bhutanese government whose membership does not consist of Lhotshampas. On May 28, according to the

Bhutan Review, DNC posters appeared on important buildings in many towns in Bhutan. Nine demands were made—respect for human rights, an independent judiciary, freedom of opinion and expression, an end to forced labor, etc. It is impossible to gauge whether the DNC's campaign reflects a widely held aspiration. However, the extent to which its leader was vilified in Bhutan's National Assembly may be significant. The arrest in July and subsequent jailing of the royal Bhutan police chief, ostensibly for allowing prisoners to escape from Chemgang jail, also may be related to this issue.

The National Assembly

The National Assembly met for its 73rd session from August 10 to September 2. This was the first meeting of the Assembly since July 1993, despite the requirement that the Assembly should meet at least once a year. The speaker informed the Assembly that no session had been called during 1994 because many of the points submitted for discussion had been about the ongoing talks between Bhutan and Nepal and that this would have had a negative impact on those talks. He went on to declare that now, however, the Nepalese government was "not interested in the bilateral talks," implying that any negative impact would now be of little consequence.

Speakers from the floor of the National Assembly dismissed all forms of dissent with contempt. Particular scorn was poured on Rongthong Kunley: the people's representatives condemned him for "spreading false and malicious allegations against the Royal Government of Bhutan" and asked the royal government to "extradite Rongthong Kinley following which he must be given capital punishment." They virtually denied that anyone had been evicted forcibly from Bhutan, and some representatives argued that the royal government should "not even discuss the question of allowing any of the people in the refugee camps . . . to come to Bhutan." They viewed the relatives of refugees still living in Bhutan with mistrust, arguing that they should be dismissed from government service or even expelled from the country. As on previous occasions, the king and the ministers took a more moderate line, restating their commitment to negotiations with Nepal.

The Bhutanese government tends to present the ethnic crisis as one of insecurity and "terrorism" in its southern districts because villagers there are routinely robbed and harrassed, both by criminal elements from the refugee camps and incomers from across the Indian border. The National Assembly resolved to discuss with the Indian authorities the matter of Bodo militancy in Assam spilling over the southern border. As well as debating developmental and budgetary matters, the Assembly also pressed for heavy punishments to be meted out to persons who desecrated and robbed religious monuments, reflecting a widespread concern in Bhutan about the need for cultural preservation.

Conclusion

During the 1980s a new, more exclusive kind of ethnic nationalism began to exert an influence over policymaking in Bhutan. It began to be seen as axiomatic that Bhutan could no longer afford to consist of a northern and a southern sector whose populations lived in separate cultural spheres and with only limited interaction with one another. Nepali-led political activism of which there existed a very stark example in Darjeeling between 1986 and 1988 came to be seen as a major threat to the future of the Drukpa state. Thus, the southern Bhutanese were given a choice between subscribing actively and visibly to the Drukpa cultural and political ethos or rebelling against it and losing their rights to citizenship as a consequence. The tone of the recent National Assembly session suggests that Bhutan is determined to weather the storm with few compromises, and so far it has carried most foreign donors with it. In the longer term, few "bonafide Bhutanese" who "have been evicted forcibly" are likely to return to Bhutan unless some measure of political reform occurs within the kingdom.